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Secret. II-27—100,000—21-5-53.

Public (Political)

(1947) Department.

M SERIES.

G.O. No. 3653

Dated 23.12.1947

[Despatch Abstract.]

Indian States - Federal - Standstill agreement - Conclusion.

No. F.O.(89)-PR147.
GOVERNMENT OF INDIA,
Ministry of States.

From

The Additional Secretary to the Government of India,
Ministry of States.

To

The Chief Secretary to the Government of Madras,
Madras.

Dated, New Delhi, the 2nd December 1947.

Sir,

I am directed to enclose for the information of the Provincial Government, a copy of the Standstill Agreement concluded on November 29 with Hyderabad and the collateral letters exchanged between His Exalted Highness the Nizam and the Governor-General of India. It is requested that in view of the agreement now reached restrictive action, if any, against Hyderabad may kindly be withdrawn and that no action which would prejudice the smooth working of the Agreement may be taken by the Provincial Government.

Yours faithfully,

C.C. Dasai,
Additional Secretary.

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PRESS INFORMATION BUREAU.
GOVERNMENT OF INDIA.

AGREEMENT WITH HYDERABAD - SARDAR PATEL'S STATEMENT IN THE ASSEMBLY.

New Delhi, November 29.

With your permission, Sir, I should like to make a statement on the result of the negotiations with the Hyderabad Government on the future relationship between that State and the Government of India. The House will recall that I stated on the floor of this House that this was the last phase of these negotiations. I am happy to say that an agreement has been reached and I lay on the table of the House a copy of the Agreement signed this morning as well as a copy of the Collateral letters exchanged between H.E.H. and H.E. the Governor-General.

As the House is aware, it was in July last that we initiated negotiations with the States for their accession to the Dominion of India, which due to the spirit of co-operation evinced by the Rulers resulted in the accession before the 15th August of allStates except Hyderabad, Kashmir and Junagadh. We had negotiations with representatives of His Exalted Highness the Nizam also at the same time. I do not wish to take the House through the many phases of the negotiations. I need onlysay that when 15thAugust came no agreement could be reached. At the same time, His Exalted Highness the Nizam was anxious not to break off negotiations and accordingly at his request we decided to give him an extension of two months within which to finalise his

attitude. When the negotiations were resumed, His Excellency the Governor-General, with the concurrence of the Cabinet, under took to continue them on our behalf. He had several meetings with the Delegation sent by His Exalted Highness and about a mor ago a complete agreement had resulted but owing to developments of which the House is aware the old Delegation resigned and a ne one was sent by His Exalted Highness the Nizam in its place. Dur the negotiations with the new Delegation we adhered to the stand we had already taken up and finally the agreement whihh we have now succeeded in obtaining from the present Delegation is exactl the same aswe had negotiated with the old one.

Under this settlement, all agreements and administrati arrangements on matters of common concern which formerly existed between the Crown Representative and the Hyderabad State, except the Paramountcy functions, are to be continued as between the Government of India and the Hyderabad State for a period of one year. These agreements and arrangements cover a wide variety of matters including the three subjects on which accession of all the States has been accepted, viz., Defence, External Affairs ar Communications.

I know that Hon'ble Members would have been much more gratified if as a result of these talks, His Exalted Highness has found it possible for the State of Hyderabad permanently, to accede to the Indian Dominion. Such an accession would have bee accord not only with our cherished desire but also with the inte of both the Indian Dominion and the Hyderabad State. We, however fully appreciated the internal difficulties in the State and consistent with our policy to secure agreement, not by coercion, but as far as possible with the maximum degreeof goodwill on bot sides and with due regard to the overall position in India, we that an agreement of this nature, even for a limited period, wou have considerable advantages over the absence of any agreement w soever. The period of one year would enable both of us to forg closer relations and would, it is hoped, pave the way for a perm accession.

The settlement makes it clear that Hyderabad does not propose to accede to Pakistan. This, if I may say, so, is only right, for, placed as Hyderabad, is, its destiny is inextricably bound up with that of India.

I fully realise that Hon'ble Members of this House as well as the public outside have been considerably concerned over the happenings in the State in recent months. Now that accord been reached, I am sure it will have a wholesome effect on the existing situation and will exercise a beneficial influence on relations between the two communities, both in the State and ou We can thus put these happenings back in the past and look forw a relationship in which amity and cordiality will prevail. An atmosphere will thus be created which will enable people who h left the State to return to their homes. I am also certain th as this settlement is intended to serve as the basis of friend and cordial relations it will be worked in that spirit. We on part will do our best to secure this end.

I would also like to refer briefly to the fact ths proposals for constitutional reforms are now engaging the att of His Exalted Highness. On this, as well as on the question final accession, I hope he will readily agree that in the ult analysis it is the will of the people that should guide judgment. There are unmistakeble signs in several other Stat the triumph of this principle and I feel certain that His Exa Highness will, as becomes a Ruler of his pre-eminent position set an example which others can follow.

Finally, I am sure the House would like me to place on record our sense of appreciation of all that His Excellency the Governor-General has done in bringing about such a happy conclusion to the prolonged negotiations.

Following is the text of the Agreement signed by the Indian Union and Hyderabad.

Agreement made this Twenty-nineth day of November Nineteen Hundred and Forty-seven between the Dominion of India and the Nizam of Hyderabad and Berar.

Whereas it is the aim and policy of the Dominion of India and the Nizam of Hyderabad and Berar to work together in close association and amity for the mutual benefit of both, but a final agreement as to the form and nature of the relationship between them has not yet been reached:

And whereas it is to the advantage of both parties that existing agreements and administrative arrangements in matters of common concern should, pending such final agreement as aforesaid, be continued:

Now, therefore, it is hereby agreed as follows:-

Article 1:- Until new agreements in this behalf are made, all agreements and administrative arrangements as to the matters of common concern, including External Affairs, Defence and Communications, which were existing between the Crown and the Nizam immediately before the 15th August 1947, shall, in so far as may be appropriate, continue as between the Dominion of India (or any part thereof) and the Nizam.

Nothing herein contained shall impose any obligation or confer any right on the Dominion.

(i) to send troops to assist the Nizam in the maintenance of internal order:

(ii) to station troops in Hyderabad territory except in time of war and with the consent of the Nizam which will not be unreasonably withheld, any troops so stationed to be withdrawn from Hyderabad territory within 6 months of the termination of hostilities.

Article 2:- The Government of India and the Nizam agree for the better execution of the purposes of this Agreement to appoint Agents in Hyderabad and Delhi respectively, and to give every facility to them for the discharge of their functions.

Article 3:-(i) Nothing herein contained shall include or introduce paramountcy functions or create any paramountcy relationship.

(ii) Nothing herein contained and nothing done in pursuance hereof shall be deemed to create in favour of either party any right continuing after the date of termination of this AGREEMENT, and nothing herein contained and nothing done in pursuance thereof shall be deemed to derogate from any right which, but for this agreement, would have been exercisable by either party to it after the date of termination hereof.

Article 4:- Any dispute arising out of this agreement or out of agreement or arrangements hereby continued shall be referred to the arbitration of two arbitrators, one appointed by each of the parties and an umpire appointed by those arbitrators.

Article 5:- This Agreement shall come into force at once and shall remain in force for a period of one year.

In confirmation whereof the Governor-General of India and the Nizam of Hyderabad and Berar have appended their signatures.

Mir Osman Ali Khan,
Nizam of Hyderabad and Berar.

Mountbatten of Burma,
Governor-General of India.

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Text of correspondence between Nizam and Governor-General.

Copy of a letter from His Exalted Highness the Nizam to His Excellency the Governor-General. dated November 29, 1947.

I regret that we have not been able to reach a final agreement as to the eventual nature of the association between Hyderabad and the Dominion of India. As Your Excellency knows, I have not been prepared to contemplate accession to either Dominion, but short of this, I have been ready to negotiate with your Government upon any other basis. I am now enclosing a Standstill Agreement which I am prepared to execute if your Excellency's Government are also prepared to sign it. It is a disappointment to me that after such protracted negotiations we are unable to do more for the present than carry on existing arrangements subject to such changes as the departure of British paramountcy imposes. On the other hand it is essential to put an end to the present state of uncertainty and the fact that the Agreement now to be executed is to endure for a year means that both Governments will be able to turn their attention more fully to the problems of administration without constant pre-occupation with the question of our constitutional relations. To that question we shall eventually have to return, but I am confident that, if during the next year our association in accordance with the terms of the Standstill Agreement is marked by goodwill on both sides, we shall be more likely at the end of that period to reach a satisfactory agreement as to the nature of our long-term association. I regard this Standstill Agreement accordingly as founded upon the principle of good neighbourliness and I am sure that Your Excellency and your Government will approach it in the same spirit. By executing this Standstill Agreement I am in no way permanently prejudicing my rights as an independent sovereign, though I am of course conscious that I am in some important respects suspending the exercise of certain of these rights during the currency of the agreement.

2. It is plain that an Agreement in this general form will necessitate a good deal of adjustment in regard to particular arrangements. In this connection I learn that YourGovernment are prepared as soon as possible to negotiate with mine arrangements for the posts, telegraphs and telephones within Hyderabad to be worked as a Hyderabad system in harmony with theDominion system. There are in addition, problems about the Hyderabad Forces, both in regard to the troops and their equipment, which our Governments will need to discuss in the light of the fact thaton the 15th August 1947, the Hyderabad Forces and Police available for the maintenance of internal order could no longer rely upon the billeting of the troops stationed in and near the State by the Paramount Power. This question has already been discussed with the late Military Adviser-in-Chief and with his successor and I have

doubt that Your Excellency's Government will have no objection to making any necessary adjustments in these respects and indeed in othe cases of the same character (having their origin in the exercise of paramountcy functions) which are already apparent or which may come to light in giving effect to the general provision contained in Article I of the Standstill Agreement. So far as arms and equipment are concerned, I understand Your Excellency's Government are ready and willing to provide Hyderabad with the necessary requirements of its Forces and Police. It is only if for any reason the Dominion Government cannot supply such requirements within a reasonable time that I shall approach other sources of supply, and then only after previous intimation to your Government.

3. There is also the question which has been much discussed between my delegation and the representatives of Your Government about diplomatic and trade representatives for Hyderabad abroad. I am prepared to execute the Agreement on the understanding that the Government of the Dominion will take no objection to the maintenance of the Hyderabad Agent-General in United Kingdom or to the appointmen of similar representatives in any othercountry. I shall be prepared to arrange for the complete co-ordination of the work of these representatives with the diplomatic and commercial representatives of the Dominion of India in such countries and to inform you in advance of any representatives whom I may decide to appoint. I am confident that Your Excellency's Government will be equally ready to co-operate with mine in regard to the import and export trade of Hyderabad.

4. There are several matters which have been outstanding between us for some time and which I should like to see cleared out of the way as soon as the arrangement comes intoforce:-

(i) No Paramountcy functions remain to be exercised nor was the Hyderabad Residency retained except as a house for the British Resident when there was one in the past. In these circumstances I should be glad if your Government would now hand it over to Hyderabad Suitable arrangements can be immediately made about the Treasury and Your Treasury Officials.

(ii) It is urgently necessary that arms, equipments and, in particular, ammunition should be immediately made available to Hyderabad. We have had no supplied since July and the shortage is interfering with the training of the Hyderabad Army.

(iii) In the same way, there has been difficulty in securing the importation of 'soft' vehicles for the use of the Army and in the special circumstances of Hyderabad you will appreciate the importance of mobility having regard to the areas to be covered.

(iv) I understand that the last of the Dominion troops stationed in Hyderabad will be removed in the course of the next month and I shall be glad of confirmation of this matter.

(v) The transfer to Hyderabad of all jurisdiction within the State was agreed in principle before the 15th August 1947 and was largely effected before that date and has continued since. There are however some points still outstanding in this regard in relation to Police jurisdiction on part of the Railways which run through the State. I assume that such jurisdiction will be immediately restored to Hyderabad.

5. It is of course manifest that my rights in regard to such matters as currency, coinage and postal rights are in no way impaired by the Standstill Agreement, but I should be glad if your Excellency would give me an express assurance that the rights to which I have just referred continue undiminished.

6. I should like to take this opportunity of suggesting

that, in relation to passports, the Dominion of India should agree, as a matter of convenience in a question which is becoming urgent, to the Chief Secretary of my Government or some other appropriate officer issuing passports to Hyderabad subjects which would be countersigned by the Dominion.

7. I am sure that in entering into this Agreement both our Governments intended to do all they can to prevent subversive movements and propaganda in the territory of the others.

8. I know well Your Excellency's interests in all steps taken to abate communal antagonizm. It may therefore be of interes to you to know that, in conformity with earlier declarations on my part, I propose to issue a Firman in the immediate future expressing my firm resolve to protect the lives, rights and interests of all my subjects alike, irrespective of caste of creed.

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Copy of a letter from His Excellency the Governor-General to His Exalted Highness the Nizam, dated the 29th November 1947.

I acknowledge ✗ with thanks the receipt of Your Exalted Highness's letter dated 29th November and the Agreement. While my Government and I note that your Exalted Highness has no intention of acceding to Pakistan, We very much regret that you should have been unable to execute an Instrument of Accession wi India. Both my Minister for States in his statement of the 5th July and I myself in my speech of the 25th July to the representatives of the States have made it clear that it is the earnest desire of the Government of India to maintain the sovereignty of the States and to work with them as full partners in the administration of the three subjects proposed for accession. My Government cordially reciprocate your hope that, given goodwill on both sides, the working of the standstill agreement will provid a basis for a satisfactory long term solution. Placed as Hyderabad is, its interests are inextricably bound up with those of India; and my Government hope that before the present agreement expires, it will be possible for Hyderabad to accede to the Dominion of India.

2. My Government will be prepared to discuss with your representative as soon as possible the question of handing over the posts, telegraphs and telephones; and also the future strength and equipment of the Hyderabad Forces.

As regards the supply of arms and equipment, the Dominion Government will be able to supply your legitimate requirements.

3. My Government have no objection to your maintaining an Agent-General in London and appointing similar representatives elsewhere, if necessary. In this connection, they a re very glad to have your assurance, to which you will appreciate that the Government of India attach great importance, that the activities of such representatives willbe fully coordinated with those of the representatives of the Dominion of India and will be confined to matters properly relating to trade and commerce.

The Government of India are certainly prepared to co-operate with Hyderabad fully in regard to its important export trade.

4. As regards the points raised in para 4 of your

letter, my Government have authorised me to say as follows:-

(1) My Government gladly agree that the Residency buildings at Hyderabad will be returned to your Government as soon as alternative accommodation promised by you is made available for our Treasury and officials employed there.

(2) My Government will take the necessary action in regard to the early supply of arms and ammunition for which an indent has been received from your Government.

(3) My Government will help your Government in securing the vehicles that they require.

(4) It is the definite intention of my Government that the troops at present stationed inside Hyderabad territory should be progressively withdrawn according to an agreed programme and that the withdrawal should be completed by the end of February 1948 at the latest.

(5) On the points remaining to be settled regarding the retrocession of jurisdiction, these can be discussed with my Government by your representative as soon as he is appointed.

5. I am authorised to assure Your Exalted Highness that your rights in regard to currency, coinage and postal matters will in no way be impaired by the standstill agreement.

6. My Government will take up the question of passports mentioned in paragraph 6 of your letter.

7. With reference to paras 7 and 8 of your letter, the Government of India desire to assure Your Exalted Highness that it is their earnest desire to promote communal harmony and to maintain peace and security. and they will co-operate wholeheartedly with you to that end.

8. I enclose the agreement duly signed by me.

Yours.

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GOVERNMENT OF MADRAS.
Abstract.

Indian States - Hyderabad - Conclusion of standstill agreement.

PUBLIC (POLITICAL) DEPARTMENT

G.O. Ms. No. 3653. Dated the 23rd December 1947.

Read:-

From the Government of India, Ministry of States, letter No. F.O. (8a)/PR/47 dated 2.12.47.

Order:-

Recorded.

(By Order of His Excellency the Governor).

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To

The Departments of the Secretariat. (3 copies for Legal).
The Governor's Secretariat.

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/True copy/

V. Jayasankaran 2.3.72
Office Assistant,
Madras Record Office

k.y.s.